

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION FINANCE COMMITTEE

MINUTES OF MEETING

March 18, 2008



The Finance Committee met on March 18, 2008, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 4:15 p.m. and the following members were present:

Terry McGuire for John Chiang, Vice Chair Henry Jones Jim Zerio for Bill Lockyer Louis F. Moret Tony Oliveira Kurato Shimada

Excused Member(s):

Charles Valdes

Other Board Members:

Rob Feckner

AGENDA ITEM 2 – APPROVAL OF FEBRUARY 20, 2008, MEETING MINUTES

The minutes were approved as presented.

AGENDA ITEM 3 – ELECTION OF THE FINANCE COMMITTEE CHAIR AND VICE CHAIR

Tony Oliveira was elected as the Chair and John Chiang was elected as Vice Chair.

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AGENDA ITEM 4 – CHIEF AUDITOR'S REPORT

At the direction of the Chair, this item was deferred to the April 22, 2008, Finance Committee meeting.

AGENDA ITEM 5 – DRAFT STAND ALONE REPORT ON THE SAVINGS PLUS DEFERRED COMPENSATION PROGRAM INVESTMENT OPTIONS MANAGED BY Calpers

Larry Jensen, Chief Auditor, presented the draft stand alone report on the Savings Plus Deferred Compensation Program to the Committee as an action item.

On **MOTION** by Kurato Shimada, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the following:

- Management's draft financial statements for the S&P 500 investment option managed by CalPERS for the State Savings Plus Program, as audited by Macias Gini & O'Connell, LLP, for the Year ended June 30, 2007, and the Period July 1, 2007 through August 7, 2007.
- Forwarding the final audit report on the S&P 500 investment option managed by CalPERS for the State Savings Plus Program to State Controller's Office, the Bureau of State Audits, and the Department of Personnel Administration.

AGENDA ITEM 6 – OFFICE OF AUDIT SERVICES QUARTERLY REPORT

At the direction of the Chair, this item was deferred to the April 22, 2008, Finance Committee meeting.

AGENDA ITEM 7 - COMPLIANCE OFFICE REPORT

At the direction of the Chair, this item was deferred to the April 22, 2008, Finance Committee meeting.

AGENDA ITEM 8 – INFORMATION TECHNOLOGY SERVICES STATUS REPORT

At the direction of the Chair, this item was deferred to the April 22, 2008, Finance Committee meeting.

AGENDA ITEM 9 – CaIPERS 2008-11 THREE-YEAR BUSINESS PLAN APPROVAL (SECOND READING)

At the direction of the Chair, this item was deferred to the April 22, 2008, Finance Committee meeting.

AGENDA ITEM 10 – FISCAL YEAR 2008-09 BUDGET PROPOSALS (FIRST READING)

Russell Fong, Chief, Fiscal Services Division, presented the first reading of the CalPERS 2008-09 Budget Proposals to the Committee as an action item.

On **MOTION** by Louis Moret, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the following:

- 1. The proposed CalPERS 2008-09 Administrative Budget of \$331,319,000 and 2,297 positions and approve the budget as a first reading.
- 2. The proposed CalPERS 2008-09 Enterprise Projects Budget of \$143,253,000 and approve the budget as a first reading.
- 3. The proposed 2008-09 CalPERS Headquarters Building Account (CHBA) Budget of \$36,181,000 and approve the budget as a first reading.
- 4. The transmittal of this agenda item to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with the Budget Act of 2007, and to the Legislative Analyst's Office, State and Consumer Services Agency, and the Office of the Legislative Counsel.

Jim Zerio, Treasurer Lockyer designee, abstained from voting.

AGENDA ITEM 11 – BUDGET AND EXPENDITURE REPORT FOR THE SECOND QUARTER OF FISCAL YEAR 2007-08

At the direction of the Chair, this item was deferred to the April 22, 2008, Finance Committee meeting.

AGENDA ITEM 12 – CURRENT BUDGET ISSUES

At the direction of the Chair, this item was deferred to the April 22, 2008, Finance Committee meeting.

AGENDA ITEM 13 – Calpers Business Connection Small Business and DVBE PROGRAM UPDATE

At the direction of the Chair, this item was deferred to the April 22, 2008, Finance Committee meeting.

AGENDA ITEM 14 - ASSISTANT EXECUTIVE OFFICER REPORT

At the direction of the Chair, this item was deferred to the April 22, 2008, Finance Committee meeting.

AGENDA ITEM 15 – PROPOSED APRIL 2008 AGENDA

The proposed April 2008 agenda was approved as presented with the addition of the March agenda items that were deferred to April.

AGENDA ITEM 16 – PUBLIC COMMENT

There was no public comment.

The next Finance Committee meeting is scheduled for April 22, 2008, in Sacramento, California.